

Message Text

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PAGE 01 OTTAWA 05766 301707Z

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00
USIA-06 TRSE-00 ERDA-05 MC-02 SS-15 NSC-05 SP-02
L-03 /069 W

-----010759 301930Z /47

R 301701Z JUN 77

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 3969

INFO AMEMBASSY PARIS

AMEMBASSY ROME

AMCONSUL MONTREAL

ALL OTHER AMCONSULS CANADA POUCH

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ROME FOR DWOR

E.O. 11652:N/A

TAGS: EAIR, EIND, CA

SUBJECT: AEROSPACE INDUSTRY: ORDERS FOR CANADIAN AIRCRAFT

1. CANADAIR LTD., MONTREAL, HAS ANNOUNCED AN ORDER FOR SIX ADDITIONAL CHALLENGER EXECUTIVE JETS WHICH WOULD BRING THE TOTAL ON ORDER TO 83 AIRCRAFT AT AN APPROXIMATE PRICE OF DOLLARS 5 MILLION EACH. THE LATEST PURCHASER IS EXECUTIVE AIR FLEET, IDENTIFIED AS A MANAGER OF CORPORATE TRANSPORT AIRCRAFT IN THE NEW YORK AREA, ON BEHALF OF SIX CLIENTS.

2. TCO HAS ALSO BEEN INFORMALLY ADVISED AN ANNOUNCEMENT OF ORDERS FOR 19 MORE AIRCRAFT IS IN THE LAST STAGES OF DEVELOPMENT FROM A GROUP OF ARAB PURCHASERS. NO DETAILS AVAILABLE.

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3. SALES OF DE HAVILLAND'S DASH-7 WE UNDERSTAND ARE STILL LIMPING ALONG WITH ONLY THREE FIRM ORDERS (FROM ROCKY MOUNTAIN AIRLINE IN THE U.S. AND WARDAIR IN CANADA). THERE ARE ALSO TENTATIVE ORDERS FOR ABOUT 20 MORE OF THESE 50-PASSENGER STOL PROP TRANSPORTS THAT GOVERNMENT AND INDUSTRY OFFICIALS FEEL WILL BECOME FIRM IN TIME. DEMONSTRATION AT PARIS AIR SHOW PRODUCED NO NEW ORDERS

TCO WAS TOLD. CURRENT CONSENSUS OF OPINION IS THAT THE DASH-7 WILL BE A SLOW BUT STEADY SELLER OVER A PERIOD OF MANY YEARS AND THERE ARE NO APPARENT SIGNS GOC IS HAVING SECOND THOUGHTS OVER WISDOM OF UNDERWRITING ITS PRODUCTION. INDEED, NEW MONEY MAY BE PUT INTO THE VENTURE TO DEVELOP AN ALL-CARGO VERSION IN ADDITION TO THE RECONNAISSANCE VERSION ALREADY ANNOUNCED.

4. COMMENT: BOTH CANADAIR AND DE HAVILLAND, AS DEPARTMENT IS AWARE, ARE OWNED BY GOC WHICH HOPES AT SOME POINT TO TURN THEM BACK TO PRIVATE OWNERSHIP. GOLDEN INQUIRY ON FUTURE OF THESE FIRMS (SEE OTTAWA 1321) IS STILL GOING ON AND NO HINT OF RECOMMENDATIONS AVAILABLE. HOWEVER, INDUSTRY SOURCE BELIEVES IT UNLIKELY ANY CHANGE IN STATUS QUO WILL BE MADE FOR MANY YEARS. ALSO SAID THAT INDUSTRY DOES NOT APPEAR CAUGHT UP IN POLITICAL CONTROVERSY OVER FUTURE OF QUEBEC IN CANADA. BOTH CANAD-AIR AND PRATT-WHITNEY ARE LOCATED IN MONTREAL AS ARE SEVERAL SMALLER FIRMS. ALL ARE HAVING QUIET DISCUSSIONS WITH PROVINCIAL GOVERNMENT RE LANGUAGE ISSUE AND ARE OPTIMISTIC THAT METHOD WILL BE FOUND TO ACCOMMODATE CONTINUED USE OF ENGLISH ON SHOP FLOORS AND IN EXECUTIVE SUITES. ENDERS

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Disposition Approved on Date:
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